



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 26, 2008

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department
Transportation Planning Division, Public Works Department

SUBJECT: *Plan Santa Barbara* Environmental Impact Report Professional Services Agreement and Budget Adjustment Request

RECOMMENDATION: That Council:

- A. Authorize the Community Development Director to execute a professional services agreement with AMEC Earth & Environmental, Inc., in the amount of \$1,124,361 (including \$146,656 contingency funds for extra services if determined necessary) for preparation of the Program Environmental Impact Report and transportation modeling and policy analysis for *Plan Santa Barbara*; and
- B. Appropriate \$465,276 from General Fund Unappropriated Reserves to the Community Development *Plan Santa Barbara* Program to augment the Environmental Review budget, with funds to be reimbursed over time by the General Plan Update fee.

EXECUTIVE SUMMARY:

EIR Professional Services Agreement: The *Plan Santa Barbara* General Plan policy update requires environmental review under the California Environmental Quality Act (CEQA), which will require substantial technical consultant assistance. Staff has undertaken a Request for Proposals process to retain a qualified consultant team to prepare a Program EIR and also develop a transportation model and provide transportation policy analysis. A contract has been negotiated with the preferred consultant team selected by the staff proposal review committee. Staff recommends that Council authorize the Community Development Director to execute a professional services agreement with the environmental firm AMEC Earth & Environmental, Inc. in the amount

REVIEWED BY: _____ Finance _____ Attorney

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of \$1,124,361 for preparation of the *Plan Santa Barbara* Program EIR and transportation modeling/analysis.

Plan Santa Barbara Budget Adjustment: The *Plan Santa Barbara* budget has a current balance of \$668,664 for Environmental Review. The total costs for professional services would be \$1,133,940. Augmentation of the *Plan Santa Barbara* budget by \$465,276.20 would be required to cover the total professional services costs.

The Council Finance Committee considered the staff request for this budget adjustment on January 29, 2008, and recommended that Council: (a) augment the *Plan Santa Barbara* budget for environmental review professional services as requested by staff; (b) appropriate the added funds either (1) all from the General Fund (\$465,276), or (2) half from the General Fund (\$232,638) and half from the Streets Program (\$232,638), as recommended by staff; and (c) establish that all added funding regardless of source be reimbursed by the GPA Update Fee. Staff recommends all funding be allocated from the General Fund.

DISCUSSION:

Professional Services Agreement

The *Plan Santa Barbara* General Plan update is subject to environmental review under the California Environmental Quality Act (CEQA). A citywide Program Environmental Impact Report (EIR) will be prepared to evaluate the cumulative environmental effects of future development under proposed alternative *Plan Santa Barbara* policy changes. This will include development of a citywide transportation model to evaluate transportation effects and assist the City in identifying potential changes to transportation policies. Preparation of the EIR and transportation policy analysis will require substantial expert consultant assistance, including technical analysis expertise not available on staff (such as in the technical areas of air quality, archaeology, biology, geology/seismic hazards, hazardous materials, hydrology, noise, visual modeling, etc.). Please see separate Council Agenda Report on *Plan Santa Barbara* Status (2-26-08) for attachment providing a further overview of the environmental review process, and an outline of the EIR scope of analysis.

Consultant Selection: The Planning Division, in coordination with the Transportation Planning Division, has completed the following steps toward retaining an environmental consulting team for *Plan Santa Barbara*:

- In September 2007, the Planning and Transportation Planning Divisions issued a Request for Qualifications (RFQ) to selected transportation consulting firms and also posted notice of the RFQ at a consultant on-line web site. Based on review of

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Statements of Qualifications (SOQ) received, the staff selection committee identified Fehr & Peers/Kaku Associates with Nelson/Nygaard as the preferred transportation team to be a subconsultant for the *Plan Santa Barbara* EIR consultant team.

- In October 2007, the Planning Division also issued a separate RFQ to a broad list of environmental consulting firms across the state to gauge interest and qualifications of firms and teams to be the prime contractor for preparing the *Plan Santa Barbara* EIR.
- In November 2007, based on staff selection committee review of SOQs submitted, the Planning Division sent a Request for Proposals (RFP) to lead environmental consulting firms, with direction that they team with the City-selected transportation firm.
- In December 2007, based on review of the proposals received, interviews with firms, and reference checks, the staff selection committee identified AMEC Earth & Environmental, Inc. as the preferred prime contractor for the EIR consultant team, with technical subconsultants Fehr & Peers (transportation), Rincon Associates (biology, geology, hazards), Applied Earthworks (cultural resources), and Design, Community, Environment (visual aesthetics). The decision was based on consideration of the proposal responsiveness to the City RFP; the qualifications, local knowledge and experience of the project manager, lead and subconsultant firms and team members; and the proposed budget and schedule. The AMEC project management team is in the local Santa Barbara office.
- Since January 2008, Planning and Transportation Planning staff have been in contract negotiations to refine the consultant team, scope of work, budget, and schedule. The total consultant budget would be \$1,133,940. This amount includes the cost of preparing the Program EIR (including Administrative Draft, Public Review Draft, Administrative Final, Final/Response to Public Comments, Certified Final, Technical Appendices), and the transportation model development and policy analysis.

In order to expedite initiation of work (including arrangements to conduct traffic counts in March), staff has proceeded with a Purchase Order with AMEC for \$9,579 to begin initial tasks immediately. The remaining balance of costs of \$1,124,361 is part of the EIR professional services agreement before Council for approval.

Staff recommends that City Council:

Authorize the Community Development Director to execute a professional services agreement with AMEC Earth & Environmental, Inc. in the amount of \$1,124,361 (including \$146,656 contingency funds for extra services if determined necessary) for preparation of the Environmental Impact Report and transportation modeling and policy analysis for *Plan Santa Barbara*.

BUDGET/FINANCIAL INFORMATION:

The *Plan Santa Barbara* budget has a current balance of \$668,664 for Environmental Review. The costs for professional services would be \$1,133,940, requiring augmentation of the *Plan Santa Barbara* budget by \$465,276.

The higher cost is due to a variety of factors. A citywide traffic model was included in the scope, which is necessary to provide effective analysis of transportation policy options that include all modes of transportation and consider regional transportation factors. The requirements of CEQA for scope of analysis and level of documentation to provide for a legally-defensible environmental document have evolved and increased over time (e.g., new case law interpretations of CEQA requirements; new evaluation of effects on climate change; etc.). The current *Plan Santa Barbara* budget for environmental review was allocated more than four years ago, and consultant rates have increased during the intervening years. And it is also difficult to predict ahead of time the budgets that will be submitted as part of consultant proposals for this type of complicated project.

The Council Finance Committee considered this item on January 29, 2008, and recommended that Council:

1. Allocate the additional funding as requested by staff to the *Plan Santa Barbara* Program to augment the Environmental Review budget for EIR and transportation professional services.
2. Appropriate the added funds either (1) all from the General Fund (\$465,276.20), or (2) half from the General Fund (\$232,638.20) and half from the Streets Program (\$232,638), as recommended by staff when brought back to Council.
3. Provide that all added funding be reimbursed by the General Plan Update fee, whether the source is the General Fund and/or the Streets Program.

Committee members noted that transportation policy is an integral part of the entire *Plan Santa Barbara* land use policy update and is therefore appropriate for financing by the General Fund; and also expressed concern about use of Street Program funds. Given the Finance Committee discussion, Staff now recommends that all funding be allocated from the General Fund.

Fee Reimbursement

The General Plan Update (GPU) fee is an 11% fee levied on building permits for all new square feet of development. The fee was adopted to provide reimbursement for *Plan Santa Barbara* costs financed up front by the General Fund. Staff has calculated that this budget augmentation request of \$465,276 for the *Plan Santa Barbara* EIR contract

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will be covered by the current fee without any change to the existing fee percent or existing duration of the 16 year repayment period.

The Professional Services budget for the General Plan Update process (*Plan Santa Barbara*) is \$2.2 million, roughly divided between planning assistance \$860,000 (44%), environmental review \$840,000 (35%), and implementation \$500,000 (21%). These were the budget estimates used to calculate the General Plan Update fee in 2004, which set the fee amount at 11% of all building permits with new square footage over 16 years.

Based on the average revenue over the three-year life of the GPU fee, which includes building permit fee increases not originally calculated into the 11% fee, the expected annual revenue over the remaining 13 years is approximately \$167,000 per year, or \$2,672,000 over the 16-year life of the GPU fee.

Given that the original budget for *Plan Santa Barbara* is \$2,200,000, the proposed budget augmentation of \$465,276 would bring the total budget to \$2,665,276. Thus, the projected GPU fee revenues of \$2,672,000 minus the new proposed budget of \$2,665,276 would cover the additional costs with a remaining balance of approximately \$6,700. This difference could be used to retire the debt early. As we track the *Plan Santa Barbara* process and costs, if other necessary changes are identified, we will return to Council.

SUSTAINABILITY IMPACT:

The *Plan Santa Barbara* citywide Program EIR will assist the City in evaluating sustainability of the community, the effects of future development on sustainability, and potential City land use and environmental policy changes to improve community sustainability. The EIR will include evaluation of impacts associated with air quality; archaeological and historical resources; biological resources; geologic and seismic conditions; hazards and hazardous materials; hydrology, flooding and water quality; noise; water, sewer, and waste management services; fire protection, police, schools, and parks facilities and services; traffic, circulation, and parking; visual aesthetics and open space; growth-inducing impacts; climate change and energy conservation.

NOTE: Copies of the proposed contract and scope of work are available for review in the Mayor and Council Office and City Clerk's Office.

PREPARED BY: Barbara R. Shelton, Project Planner/ Environmental Analyst

SUBMITTED BY: Dave Gustafson, Acting Community Development Director

APPROVED BY: City Administrator's Office